

Transfer Agent:

THE ROYAL TRUST CO., MONTREAL, CALGARY
AND CHARLOTTETOWN

8 In.
ASSOCIATED BREWERIES OF CANADA
LIMITED

HEAD OFFICE
CALGARY
CANADA



ANNUAL REPORT
FOR THE
YEAR ENDED DECEMBER 31
1935

COMMERCE

LIBRARY

MAR 15 '46

McGILL UNIVERSITY

Government Taxes payable by Constituent Companies for the year 1935

Provincial Gallonage Taxes.....	\$ 198,393.21
Federal Excise and Sales Taxes.....	447,154.64
Federal and Provincial Income Taxes.....	117,535.15
	<u>\$ 763,083.00 x</u>

♦ ♦ ♦

Officers

FRITZ SICK.....	Chairman of the Board
E. G. SICK.....	President
L. M. JOHNSTONE, K.C.....	Vice-President
R. H. B. KER.....	Vice-President
J. G. WALFORD.....	General Manager
I. N. WILSON.....	Secretary-Treasurer

Directors

R. J. Chiswick, Lethbridge, Alberta.
Lt.-Col. E. G. Hanson, D.S.O., Montreal, Que.
Wm. Hutton, Regina, Sask.
L. M. Johnstone, K.C., Lethbridge, Alberta.
R. H. B. Ker, Victoria, B. C.
J. C. Malone, Regina, Sask.
A. E. Raue, Vancouver, B. C.
W. H. Sheppard, Edmonton, Alberta.
Fritz Sick, Vancouver, B. C.
Emil G. Sick, Seattle, Washington.
Geo. R. Whitmore, Regina, Sask.

246,019.61
68,146.75

\$177,872.86
= 79¢ per share
earned on Common

246,019

1,009,102.00

Associated Breweries of Canada

Limited

and Wholly Owned Subsidiary Brewing Companies

Consolidated Profit and Loss Account

for the year ending December 31st, 1935

Net Operating Profits, before charging depreciation..... \$ 430,737.33

(A total of \$53,370.39, which includes salaries paid to brewery managers, was paid, as salaries and remuneration, to the legal advisers and executive officers of the Company.)

Revenue from Investments..... 49,744.53

Other Revenue 29,051.08

\$ 509,532.94

Less:

Directors' Fees \$ 4,400.00

Depreciation 141,578.18

Federal and Provincial Income Taxes..... 117,535.15 263,513.33

Net Profits for the year, carried to Earned Surplus Account..... \$ 246,019.61

Consolidated Earned Surplus Account

for the year ending December 31st, 1935

Balance at January 1st, 1935..... \$ 502,177.81

Net Profits for the year, from Profit and Loss Account..... 246,019.61

\$ 748,197.42

Less:

Four quarterly dividends, each of $1\frac{3}{4}$ per cent.
on the Cumulative Preferred Shares..... \$ 68,146.75

Three dividends, each of 25 cents per share, on
the Issued Common Shares of no par value..... 168,450.00

236,596.75

Balance, carried to Balance Sheet..... \$ 511,600.67

Less preferred dividends
Balance Sheet

ERIES of CANADA

ED *Subsidiaries*
ary Brewing Companies

s at December 31st, 1935

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	\$ 46,906.86	
Income and Other Taxes.....	121,073.38	
		\$ 167,980.24

RESERVES:

For Premium on Redemption of Preferred Shares.....	\$ 54,913.00	
For Contingent Losses on Investments.....	393,099.80	
For Depreciation of Fixed Assets.....	1,029,409.87	
For Federal and Provincial Taxes.....	30,242.91	
		1,507,665.58

CAPITAL:

Preferred Shares—7% Cumulative Redeemable Preferred Shares, less \$50,200.00 redeemed.....	\$ 965,200.00	
Common Shares—224,600 Common Shares of no par value	2,053,811.56	
		3,019,011.56

EARNED SURPLUS		511,600.67
----------------------	--	------------

Contingent Liabilities \$15,000.00

\$5,206,258.05

Our report on the above Balance Sheet, dated February 15th, 1936, is attached hereto.

*NASH & NASH
CA
AUDITORS*

✓

ASSOCIATED BREW

LIMITED
and Wholly Owned Subsidiary

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash on Hand and in Banks.....	\$ 233,602.66	
Accounts Receivable	9,442.18	
Inventories, at the lower of Cost or Market prices, as approved by the Management.....	308,225.37	
Dominion of Canada and Dominion Guaranteed Bonds, at Cost (Market value, \$167,038.21).....	162,475.69	
Listed Stocks, at Cost (Market value, \$42,736.97).....	71,383.48	
Life Insurance Policies, Cash Surrender Values.....	105,821.68	
		\$ 890,951.06

INVESTMENTS:

Mortgages, Loans and Other Investments, at Cost, including Investments in United States Brewing Companies	\$1,186,367.81	
Due from Shareholders (secured).....	5,300.53	
Shares in, and Loans to, other Non-brewing Sub- sidiary Companies	201,098.32	
		1,392,766.66

PREFERRED SHARES PURCHASED FOR REDEMPTION..... 642.00

DEFERRED AND PREPAID CHARGES..... 38,191.25

FIXED ASSETS:

Lands, Buildings, Plants and Equipment, at the Depreciated Re- placement Valuation of the Canadian Appraisal Company at July 31st, 1928, with Additions since that date, at Cost.....	2,883,707.08
	<u>\$5,206,258.05</u>

Approved on behalf of the Board,

E. G. SICK,
G. R. WHITMORE, } Directors.

Auditor's Report



TO THE SHAREHOLDERS OF
ASSOCIATED BREWERIES OF CANADA LIMITED.

Ladies and Gentlemen:

We have examined the books and accounts of Associated Breweries of Canada Limited, for the year ending December 31st, 1935, and have verified the securities representing the investments of the Company. We have received all the information and explanations that we have required, and have accepted as correct the audited statements of the constituent Companies. We report that the attached consolidated balance sheet presents a true and accurate statement of the affairs of Associated Breweries of Canada Limited and its constituent Companies at December 31st, 1935, according to the best of our information, the explanations given to us, and as shown by the books of the Company and the audited statements of the constituent Companies.

The dividend on the Preferred shares, payable January 2nd, 1936, has been provided for in these accounts.

In accordance with Section 114 of the Dominion Companies' Act, we report that dividends of \$9,000.00 were received from non-brewing subsidiary Companies out of their accumulated surpluses; that the aggregate net trading losses for the year, after deducting profits, in non-brewing subsidiary Companies amounted to \$3,992.40; and that no provision for these losses has been made in the accounts of this Company. The payment of the above dividends does not involve an impairment of capital.

Redemption of a further \$50,200.00 of cumulative redeemable Preferred shares was effected during the year, in accordance with the Letters Patent of the Company; the reduction of capital thereby resulting being subject, in our opinion, to confirmation by Supplementary Letters Patent.

Yours faithfully,

"NASH & NASH,"

Chartered Accountants.

February 15th, 1936.

The physical condition of all the Company's properties has been thoroughly maintained and the necessary additions to buildings, plants and equipment in Saskatchewan, necessitating a further capital investment of approximately \$103,000, was provided out of working capital, although it will be noted the Company's working capital is practically the same as at the end of the previous year.

The American breweries in which the Company has invested are all now on a dividend-paying basis.

Quarterly dividends of $1\frac{3}{4}\%$ were paid during the year on the outstanding Preferred shares, thus maintaining an unbroken record of dividends paid on these shares since the inception of the Company. Three 25-cent dividends on the Common shares were paid on March 31st, June 30th and December 31st.

The Directors desire to place on record their grateful appreciation of the loyal and efficient services of the management, staffs and employees.

On Behalf of the Board,

EMIL G. SICK,
President.

Calgary, Alberta, March 5th, 1936.

President's Report



TO THE SHAREHOLDERS OF
ASSOCIATED BREWERIES OF CANADA LIMITED.

I have pleasure in submitting herewith in consolidated form the Eighth Annual Statement of Associated Breweries of Canada Limited and its wholly owned brewing subsidiaries, for the fiscal year ended December 31st, 1935.

The net profit for the year is \$246,019.61, after allowing \$141,578.18 for depreciation, and \$117,535.15 for Federal and Provincial income taxes. Federal and Provincial gallonage taxes and Federal excise and sales taxes amounting to \$645,547.85 were also paid by the subsidiaries. This ever-increasing burden of taxation on the brewing industry must be viewed with concern. It will be noted that while the net profit is \$40,086.30 less than the previous year, Federal and Provincial income taxes are greater by \$43,963.46.

In Saskatchewan where two of the Company's plants are operated, 1935 saw the advent of beer by-the-glass in licensed premises with a resulting increased volume of business. However, economic conditions in this Province continue unfavourable and the full benefit of the new system of distribution has not yet been enjoyed. With a view to further improving the Company's position in Saskatchewan the brewery operated at Prince Albert by the Red Wing Brewing Company Limited has been acquired as of January 2nd, 1936, and dismantled, thus greatly enhancing the competitive position of the Company's Prince Albert plant.

In Alberta the system of distribution will be somewhat changed during the year 1936 and it remains to be seen what effect this will have on the Company's business.

Preferred shares of the par value of \$50,200.00 have been redeemed and cancelled during the year, pursuant to the provisions of the Company's Letters Patent, and a By-law which you will be asked to ratify has already been enacted by your Directors authorizing application to the Secretary of State for Supplementary Letters Patent approving a reduction of capital accordingly.